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# RELEASE

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## WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 3-80

WASHINGTON, June 4--The Foreign Agricultural Service of the U.S. Department of Agriculture today issued the following report of recent developments in world agriculture and trade:

### GRAIN AND FEED

Rapid sowing progress reported by the SOVIETS during the two weeks ending May 25 probably offset earlier delays caused by the cold, wet spring. However, development of both winter and spring crops in the European USSR may be retarded somewhat by the recent below-normal temperatures.

During the week of May 19-25, 28.5 million hectares of grains, pulses and other spring crops were sown, bringing the total area sown for spring crops to 123.1 million hectares. For spring grains and pulses, 82.1 million hectares had been sown by May 26. This is 84 percent of total planned area for these crops.

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U.S. white corn exports for the first seven months (Oct.-April) of the current marketing year totaled slightly above 195,600 tons, more than 40 percent above the 138,200 tons shipped during the entire 1978/79 season (Oct-Sept.) U.S. white corn exports were only a little above 58,000 tons in 1977/78.

During the October/April period of the current season, about 85 percent of the shipments were to Venezuela, traditionally a large purchaser of South African white corn. Kenya and Japan were the next largest markets. In 1978/79, Venezuela accounted for half of U.S. white corn exports, Japan about a fifth and Canada, Mexico and South Africa (mainly seed) for the remainder. White corn is predominantly used for human consumption.

A principal factor in the accelerated pace of U.S. white corn exports has been the small export availabilities of white corn from South Africa, normally the world's largest supplier. For the second consecutive year, South Africa's white corn outturn is expected to be below the usual level of about 45 percent of the total corn crop. Traditionally, South Africa has exported about 900,000 tons of white corn annually but exports during 1979/80 (May-April) totaled only about 200,000 tons and no white corn exports are expected during 1980/81.

At the current level of about \$6.10 a bushel, cash prices for U.S. white corn are more than double the May 16, 1979 level of \$2.83 per bushel. Prices have increased as a result of smaller U.S. production, combined with increased export demand.

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The 1979 U.S. white corn crop of roughly 870,400 tons was about 13 percent below the 1-million-ton 1978 crop. Higher white corn prices are expected to encourage U.S. farmers to plant more white corn this year than last, when the harvested area of 61,900 hectares was 26 percent below 1978. White corn is grown mainly in Kentucky, Texas and Tennessee, and to a lesser extent in Alabama, Missouri and Kansas.

#### DAIRY, LIVESTOCK AND POULTRY

In JAPAN the Ministry of Agriculture Forestry and Fisheries announced beef quotas on May 19 for the April-September portion of Japan Fiscal Year 1980 (April-March). The general quota was set at 64,000 tons, 1,000 tons more than the general quota for the same period of 1979. Special beef quotas totaling 8,000 tons also were announced, which are in addition to the general quota. The special quotas represent quantities for specific end users or types of beef. The April-September breakdown by category, with quantities for the same period of last year in parentheses, is as follows: Hotels, 1,500 tons (1,500); Okinawa, 2,850 tons (2,800); school lunches, 1,250 (1,500) and boiled beef, 2,400 (3,400). A review of the meat and economic situations over the next several months will be used in determining the level of beef import quotas for the second half of Japan's fiscal year.

#### OILSEEDS AND PRODUCTS

SOVIET imports of oilseeds and oils rose to a record large volume in calendar 1979, based on data from reporting trade partners. The data are as follows in 1,000 tons:

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Soybeans:					
from U.S.	0	571	565	744	1,817
from Brazil	438	1,162	552	32	45
from Argentina	0	0	0	35	0
	<u>438</u>	<u>1,733</u>	<u>1,117</u>	<u>811</u>	<u>1,862</u>

#### Soybean oil:

from U.S.	0	0	0	0	25
from Brazil	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>17</u>
	0	0	1	0	42

#### Palm oil:

from Malaysia	0	6	29	29	55
from Singapore	0	0	4	8	40
from Indonesia	<u>0</u>	<u>4</u>	<u>11</u>	<u>15</u>	<u>10</u>
	0	10	44	52	105

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Philippine copra	22	10	20	15	10
Philippine coconut oil	7	58	29	56	67
U.S. tallow and grease	40	0	0	44	100
Total (oil equivalent)	139	381	285	305	650

Since 1970, Soviet consumption of fats and oils has grown by 158,000 tons a year, but domestic production has increased by only 20,000 tons a year. Thus, annual Soviet import requirements are growing by 128,000 tons. Since high protein import requirements also are rising, it seems likely that part of this potential demand might be filled by seed imports. However, a lack of crushing facilities will likely require that a substantial part of the increased demand be satisfied by imports of oils and fats. Even if the Soviets' 1980 oilseed harvest increases to a trendline volume, Soviet exports of vegetable oils will likely continue about unchanged in 1981 and requirements will likely approach 1 million tons, oil basis.

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PHILIPPINE exports of copra and coconut oil to the Soviet Union in recent years have expanded, and trade reports indicate that the Soviet demand will continue in 1980. The data are as follows in 1,000 tons:

<u>Year</u>	<u>Copra</u>	<u>Coconut oil</u>	<u>Total in oil equivalent</u>
1975	22.3	7.2	21.5
1976	10.0	58.4	64.8
1977	20.3	29.0	42.0
1978	15.0	56.0	65.6
1979	10.4	67.4	73.8

Even if the Soviet Union should purchase substantially larger quantities of coconut oil in 1980, the expected sharp gain of 300,000 tons, oil basis, in the Philippines' exportable supplies this year should be more than ample to supply coconut oil to other markets, including the United States.

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BRAZIL's exports of soybean products from the record 1980 crop gained momentum during May, following a slow start because of weak international prices and uncertainties regarding application of the export tax which was removed in April.

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Preliminary export data for January-April 1980 show soybean meal shipments at 1.2 million tons or 25 percent less than during the same four months in 1979. Soy oil exports at 82,900 tons were down two-thirds, and soybean shipments were 6,000 tons, compared with 230,000 tons in 1979. In the first four months of 1980, the USSR took 9,000 tons of Brazilian soy oil, with no bean or meal purchases indicated so far. Iran was the destination for 71,900 tons of soy oil, compared with 35,300 tons a year earlier, and 31,000 tons of soy meal, compared with no shipments during January-April 1979.

On a weekly basis, Brazilian soy meal exports picked up sharply in May with 249,100 tons shipped during the week ending May 4; 236,700 tons shipped during the week ending May 11; and 158,600 tons the week ending May 18.

Brazil is expected to import some soybeans during the current marketing year which started March 1, 1980. The Foreign Trade Department of the Bank of Brazil (CACEX) reportedly has received applications for imports of 200,000 tons of beans as of early May. Informed sources expect imports to total 200,000 to 300,000 tons with the major part coming from Paraguay. Last year when the Brazilian crop was below early expectations, about 235,000 tons of soybeans were imported, of which some 66,000 tons came from the United States.

Trade sources in Sao Paulo report that Brazil's domestic market for soybean oil is weak in the face of heavy supplies. Reportedly, in mid-May the Brazilian government freed another 70,000 tons of soy oil for export. If so, the export quota now stands at 420,000 tons. CACEX is freeing soy oil export quotas gradually as the marketing year progresses.

#### COTTON

SYRIA's 1979/80 cotton production of 600,000 bales (480-lb net) is down 10 percent from 1978/79, according to a recent report. This is the smallest cotton production since 1967/68. The 1979/80 crop was hurt by excessive rainfall during the October-December harvest. The cotton area, down slightly to 165,000 hectares, has been decreasing in recent years because of a labor shortage and a shift of land to more lucrative crops.

Syria's 1979/80 cotton consumption is expected to remain basically unchanged at 150,000 bales, while exports could decrease almost 20 percent to 450,000 bales.

#### HORTICULTURAL AND TROPICAL PRODUCTS

ITALY's 1980 strawberry crop is forecast at 232,800 tons, up 3 percent from last year. Planted area is down, but improved yields are expected as a result of good weather and denser plantings. Italian strawberry exports, mostly fresh, totaled 103,000 tons in 1979 and are forecast to increase by 10 percent this year. Most fresh berry exports move between May and July.



## TOBACCO

ZIMBABWE tobacco auction prices declined during the sixth week of sales. The average price was around US\$1.14 per kilogram, down 2.25 cents from a week earlier. The price drop was unusual since the quality of tobacco offered for sale improved. The percent of tobacco graded primings dropped from 29 to 19 percent, while leaf grades increased from 7 to 11 percent.

In 1979 auction prices increased during the fifth and sixth week. Farmers are beginning to accept the low prices, but are still holding quality tobacco off the market. Buyers reportedly are buying only small quantities of leaf in order to get samples. Approximately 100,000 tons of the 115,000-ton 1980 tobacco crop remains to be sold.

## INTERNATIONAL WEATHER AND CROP SUMMARY, MAY 26-JUNE 1

EUROPE--Much of Europe received abundant rainfall, often more than twice the normal amount. Northern areas benefited the most, especially the western countries, where spring-planted crops had been suffering from dry conditions. Many southeastern areas dried out somewhat--a relief from prolonged wetness of recent weeks--but some areas continued to be quite wet. The greatest totals fell in northern Italy, maintaining conditions too wet for maturing winter grains, which have been plagued by wet weather since early May. Many parts of Spain received above-normal rainfall, following a break last week, but conditions in those areas remain mostly unfavorable for the winter grain harvest which should now be in its early stages.

USSR--Temperatures warmed considerably in the European USSR, but continued to average slightly below normal in most winter grain areas. This is an improvement from the cool pattern of recent weeks, but much above normal temperatures will be needed for crop development to catch up from earlier delays. Above-normal rainfall occurred in a series of north-south bands, along the western border, from the eastern Ukraine northward, and in the southern Urals. Lighter amounts in other areas generally had no adverse effect on crops, but dry conditions in the Volga Valley may be causing problems for spring-planted crops. However, there has been no indication to date of hot, dry weather developing in the southeastern part of the European USSR, which was so seriously affected last year.

In the New Lands, rainfall was below normal just east of the Urals, but an extensive area to the east of Kustanay and somewhat to the west of Tselinograd and Omsk received much above normal rains. Heavier totals at some locations may have interrupted spring grain sowing activities, but overall, the moisture benefited crops. Dry weather persisted over the eastern half of the New Lands, and the moisture-deficient area may be expanding. Mean temperatures in the dry area decreased to near normal, although some extreme readings were recorded during the preceding week. During this past week, temperatures had not departed too far from normal. Nevertheless, conditions in this limited area remain quite unfavorable for spring grain germination.



CHINA--Southeastern China experienced fair weather in nearly all crop areas through mid-week, allowing fields to dry somewhat, but heavy rains returned toward the end of the week. Most of the winter wheat belt received only slightly above normal rainfall, but this moisture did not help the area dry out from soaking rains of the preceding two weeks. The possibility for decreases in wheat quality persists. Following two weeks of relatively drier weather in the valleys south of the Yangtze River, heavy rainfall returned, causing water-control problems in the rice fields. Guangdong Province, on the southern coast, was drenched again with excessive rainfall after a one-week break, promising more flooding in low fields.

SOUTHERN ASIA--A dramatic increase in shower activity late in the week over the southeastern half of India signaled the apparent onset of the monsoon. Previously, rainfall had been restricted mostly to coastal areas. With the onset of these rains, farmers will begin transplanting rice. The danger now lies in the possibility that this is a false monsoon start, and dry weather might return to wither the newly transplanted rice.

SOUTHEAST ASIA--In Thailand, rainshower activity was sporadic from day-to-day, but sufficient rain fell to maintain favorable growing conditions for rice and maize. Also reservoirs in the north probably were replenished somewhat.

AUSTRALIA--Variable amounts of rain fell across the southern half of the country. Above normal rains benefited winter grains in west Australia, while only trace amounts fell in parts of Victoria. Grain areas of south Australia received near-normal amounts which maintained good growing conditions. Soaking rains in the winter grain area of New South Wales and southern Queensland provided very timely moisture for germination.

CANADA--In the spring wheat area of Alberta, rainfall ranged from above normal amounts of over 50 mm in the southwest to only about 15 mm in the southeast. Growing conditions are now reportedly quite good over most of Alberta. Further east, rainfall was generally lighter, but improved conditions for germination. By week's end, light showers pushed across the region followed by an influx of cooler air which dropped temperatures to near or slightly below freezing in much of the Canadian prairies. Extensive frost was reported with some damage to rape-seed in Saskatchewan. Frost damage to spring wheat and barley appeared to be light.

SOUTH AMERICA--Rainfall remained generally light throughout the major agricultural areas of Argentina and Brazil. Favorable weather conditions prevailed for the late harvesting of soybeans in the state of Rio Grande do Sul in Brazil. Harvesting of soybeans proceeded without interruption in Buenos Aires Province in Argentina.

NORTHWESTERN AFRICA--Only light rain fell in most winter grain areas as the harvest wound down. Abnormal wet weather in eastern Algeria and western Tunisia should not cause damage to the crop, if drier weather soon returns.



Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	June 3, 1980		Change from previous week	A year ago
	Dollars per metric ton	Dollars per bu.	Cents per bu.	Dollars per metric ton
<b>Wheat:</b>				
Canadian No. 1 CWRS-12.5%..	1/	1/	1/	176.00
U.S. No. 2 DNS/NS: 14%.....	192.50	5.24	-18	170.00
U.S. No. 2 DHW/HW:13.5%.....	1/	1/	1/	170.25
U.S. No. 2 S.R.W.....	177.00	4.82	-17	168.00
U.S. No. 3 H.A.D.....	239.00	6.50	-17	184.00
Canadian No. 1 A: Durum....	261.00	7.10	-19	192.00
<b>Feedgrains:</b>				
U.S. No. 3 Yellow Corn.....	136.25	3.46	-6	134.50
U.S. No. 2 Sorghum 2/.....	148.00	3.76	-5	122.50
Feed Barley 3/.....	149.00	3.24	-17	121.75
Thailand Tapioca.....	176.00	--	-1.50 5/	--
<b>Soybeans:</b>				
U.S. No. 2 Yellow.....	257.25	7.00	-17	301.75
Argentine 4/.....	251.00	6.83	-23	292.00
U.S. 44% Soybean Meal (M.T.)	218.50	--	-4.50 5/	245.00
<b>EC Import Levies</b>				
Soft Wheat.....	132.65	3.61	+33	125.90
Corn.....	140.90	3.58	+16	116.05
Sorghum.....	129.90	3.30	+7	128.00
Barley.....	121.10	2.64	-13	130.60

1/ Not available

2/ Optional delivery: U.S. or Argentine Granifero Sorghum

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil Yellow

5/ Dollars per metric ton

NOTE: Basis July delivery

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